

Introduced by \_\_\_\_\_

First Reading \_\_\_\_\_

Second Reading \_\_\_\_\_

Ordinance No. \_\_\_\_\_

Council Bill No. B 360-17

**AN ORDINANCE**

designating a portion of the City of Columbia, Missouri, as a redevelopment area; approving the Broadway Hotel Phase Two Redevelopment Plan and the redevelopment project described therein; making findings related thereto; adopting tax increment financing with respect thereto; authorizing certain actions by City officials; and fixing the time when this ordinance shall become effective.

WHEREAS, the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri, as amended (the "Act"), authorizes municipalities to undertake redevelopment projects in blighted, conservation or economic development areas, as defined in the Act; and

WHEREAS, on March 17, 2008, by Ordinance No. 19851, the City Council of Columbia, Missouri (the "City Council"), duly created the Tax Increment Financing Commission of the City of Columbia, Missouri (the "TIF Commission"); and

WHEREAS, the Act authorizes the TIF Commission to hold hearings with respect to proposed redevelopment areas, plans and projects and to make recommendations thereon to the City Council; and

WHEREAS, in response to a solicitation of proposals by the City, Broadway Lodging Two, LLC (the "Developer") submitted a proposal (the "Redevelopment Proposal") for redevelopment of a single parcel of property located at 1104 East Walnut Street (the "Redevelopment Area"); and

WHEREAS, the TIF Commission has reviewed a plan for redevelopment known as the Broadway Hotel Phase Two Redevelopment Plan (the "Redevelopment Plan"), for redevelopment of the Redevelopment Area; and

WHEREAS, the Redevelopment Plan envisions the demolition of the existing structure located in the Redevelopment Area and the construction of an eight-story hotel, including approximately 80 guest rooms and ancillary lobby, meeting and support areas; and

WHEREAS, after all proper notice was given, the TIF Commission held a public hearing in conformance with the Act on October 4, 2017 and October 30, 2017, and

received comments from all interested persons and taxing districts relative to (1) the Redevelopment Plan, (2) the designation of the Redevelopment Area as a “redevelopment area,” as defined in the Act, and (3) the approval of the redevelopment project, as described in the Redevelopment Plan (the “Redevelopment Project”); and

WHEREAS, on October 30, 2017, after due deliberation, the TIF Commission voted against recommending that the City Council approve the Redevelopment Plan, designate the Redevelopment Area as a “redevelopment area” pursuant to the Act, approve the Redevelopment Project and adopt tax increment financing within the Redevelopment Area.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBIA, MISSOURI, AS FOLLOWS:

SECTION 1. The City Council hereby makes the following findings:

- A. The Redevelopment Area on the whole is a “conservation area”, as defined in Section 99.805(3) of the Act, and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing. This finding includes, and the Redevelopment Plan sets forth and the City Council hereby finds and adopts by reference: (i) a detailed description of the factors that qualify the Redevelopment Area as a “conservation area” and qualify the Redevelopment Project as a “redevelopment project” and (ii) an affidavit, signed on behalf of the Developer and submitted with the Redevelopment Plan, attesting that the provisions of subdivision (1) of Section 99.810 have been met.
- B. The Redevelopment Plan conforms to the comprehensive plan for the development of the City as a whole.
- C. The estimated dates of completion of the Redevelopment Project and retirement of obligations incurred to finance redevelopment project costs have been stated in the Redevelopment Plan, and these dates are no more than 23 years from the date of adoption of the ordinance approving the Redevelopment Project.
- D. The City has developed a plan for relocation assistance for businesses and residences in conformity with the requirements of Sections 523.200 through 523.215 of the Revised Statutes of Missouri, as amended.
- E. A cost-benefit analysis showing the economic impact of the Redevelopment Plan on each taxing district which is at least partially within the boundaries of the Redevelopment Area is attached as **Exhibit A** hereto and is incorporated herein as if fully set forth herein, which cost-benefit analysis shows the impact on the economy if the project is not built and is built pursuant to the Redevelopment Plan. The cost-benefit analysis also includes a fiscal impact study on every affected political subdivision, and sufficient information from the Developer for the

TIF Commission to evaluate whether the Redevelopment Project as proposed is financially feasible.

- F. The Redevelopment Plan does not include the initial development or redevelopment of any gambling establishment.

SECTION 2. The Redevelopment Area is hereby designated as a “redevelopment area” as defined in Section 99.805(12) of the Act.

SECTION 3. The Redevelopment Plan, a copy of which is attached hereto as **Exhibit B** and incorporated herein by reference, is hereby adopted and approved.

SECTION 4. The Redevelopment Project is hereby adopted and approved. The City Council finds that the area selected for the Redevelopment Project includes only those parcels of real property and improvements thereon directly and substantially benefited by the proposed Redevelopment Project. The “area selected for the redevelopment project,” the “area of the redevelopment project” and similar terms and phrases used in the Act, as used herein, shall be comprised of the Redevelopment Area in its entirety, including all phases or portions of the Redevelopment Project which may be developed within the Redevelopment Area.

SECTION 5. Tax increment allocation financing is hereby adopted within the Redevelopment Area (as legally described in the Redevelopment Plan).

SECTION 6. After the total equalized assessed valuation of the taxable real property in the Redevelopment Area exceeds the certified total initial equalized assessed value of all taxable real property in the Redevelopment Area, as determined in accordance with the Act, the ad valorem taxes and payments in lieu of taxes, if any, arising from the levies upon taxable real property in the Redevelopment Area by taxing districts and tax rates determined in the manner provided in subsection 2 of Section 99.855 of the Act each year after the effective date of this Ordinance until the payment in full of all redevelopment project costs shall be divided as follows:

- (1) That portion of taxes, penalties and interest levied upon each taxable lot, block, tract, or parcel of real property which is attributable to the initial equalized assessed value of each such taxable lot, block, tract or parcel of real property in the Redevelopment Area shall be allocated to and, when collected, shall be paid by the County Collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing; and
- (2) Payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the Redevelopment Area and any applicable penalty and interest over and above the initial equalized assessed value of each such unit of property in the Redevelopment Area shall be allocated to and,

when collected, shall be paid to the City's Finance Director, who shall deposit such payments in lieu of taxes into a special fund called the "Broadway Hotel Phase Two Special Allocation Fund" of the City for the purpose of paying redevelopment costs and obligations incurred in the payment thereof. Payments in lieu of taxes which are due and owing shall constitute a lien against the real estate of the Redevelopment Area from which they are derived and shall be collected in the same manner as the real property tax, including the assessment of penalties and interest where applicable.

SECTION 7. In addition, fifty percent (50%) of the total additional revenue from taxes, penalties and interest which are imposed by the City or other taxing districts, and which are generated by economic activities within the Redevelopment Area, over the amount of such taxes, penalties and interest in the calendar year prior to the adoption of this Ordinance, while tax increment financing remains in effect, but excluding taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to Section 70.500 of the Revised Statutes of Missouri, as amended, licenses, fees or special assessments other than payments in lieu of taxes and any penalty and interest thereon, or taxes levied pursuant to Section 94.660 of the Revised Statutes of Missouri, as amended, for the purpose of public transportation, and any other tax or fee excluded from tax increment financing by Missouri law, shall be allocated to and paid by the collecting officer to the City's Finance Director, who shall deposit such funds into a separate segregated account within the Broadway Hotel Phase Two Special Allocation Fund.

SECTION 8. The Broadway Hotel Phase Two Special Allocation Fund is hereby established. All moneys deposited in the Broadway Hotel Phase Two Special Allocation Fund shall be applied in such manner consistent with the Redevelopment Plan as determined by the City Council.

SECTION 9. The City Clerk is hereby directed to submit a certified copy of this Ordinance to the County Assessor, who is directed to determine the total equalized assessed value of all taxable real property within the Redevelopment Area as of the date of this Ordinance, by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract or parcel of real property within the Redevelopment Area, and shall certify such amount as the total initial equalized assessed value of the taxable real property within the Redevelopment Area. The City Clerk is further directed to submit a certified copy of this Ordinance to the County Collector, and the City Finance Director is directed to certify to the County Collector the amount of taxes derived from economic activities within the Redevelopment Area in the calendar year prior to the adoption of this Ordinance, as prescribed herein.

SECTION 10. The sections of this Ordinance shall be severable. If any section of this Ordinance is found by a court of competent jurisdiction to be invalid, the remaining sections shall remain valid, unless the court finds that: (i) the valid sections are so essential to and inseparably connected with and dependent upon the void

section that it cannot be presumed that the City Council has or would have enacted the valid sections without the void ones; and (ii) the valid sections, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent.

SECTION 11. This ordinance shall be in full force and effect from and after its passage.

PASSED this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

ATTEST:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor and Presiding Officer

APPROVED AS TO FORM:

\_\_\_\_\_  
City Counselor